GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:188
ANSWERED ON:29.07.2016
Disbursement of Funds to States
Mahtab Shri Bhartruhari;Patil Shri Bheemrao Baswanthrao

Will the Minister of FINANCE be pleased to state:

Will the MINISTER OF FINANCE be pleased to state:

(a) whether the Union Government owes nearly ?82,000 crore to States towards sharing of net proceeds of taxes and duties collected since 1999−2000 as mandated by the Article 270 of the Constitution;
(b) if so, the details thereof, State-wise along with the time by which the said amount is likely to be disbursed to the States;
(c) whether the Union Government has received any requests from the States and public representatives for speedy disbursal of the said fund;
(d) whether the Union Government is unable to devolve to States their share from time to time, and if so, the amount of fund outstanding and reasons therefor, State-wise; and
(e) the corrective steps taken/being taken in this regard?

Answer

FINANCE MINISTER (SHRI ARUN JAITLEY)

(a) to (e) : A Statement is placed on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. *188 for answer on July 29, 2016 raised by Shri Bheemrao B. Patil and Shri Bhartruhari Mahtab, Members of Parliament regarding "Disbursement of Funds to States":
The 'net proceeds' of Central taxes and duties are shareable between the Centre and the states according to the recommendations of the respective Finance Commission as accepted by the Government of India. The office of the Comptroller and Auditor General (C&AG) of India is required to certify the 'net proceeds' for each year based on the actuals prepared by the Controller General of Accounts. However, the office of the C&AG of India could not issue the certificate for the years 1996-97 to 2014-15, involving recommendations for four Finance Commissions i.e. 10th Finance Commission to 13th Finance Commission. Such certificates (for nineteen years) had been issued by the office of C&AG of India during February, 2016, reporting the total of the year-wise difference to be ` 81647.70 crore between net proceeds of Central Taxes and Duties assignable to States and the States' share actually devolved to all the states in those years. The C&AG's certificate is being examined in detail by the Government.

It is further mentioned that Union Government has not received any requests from the State Government and public representatives for speedy disbursal of shortfall in states' share in central taxes and duties. Further, Union Government has never intended to withhold the states' share of central taxes and duties. The devolution of states' share has been made as per the norms followed year after year. As the figures intimated by the office of the C&AG of India are required to be reconciled, the calculations are being examined by the Government.
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